

# NEWS FROM

## KHEAA–Alabama

100 North Union Street, Suite 308, Montgomery, AL 36104-3762

Phone: (334) 265-9720 Toll-free: (800) 721-9720

Fax: (334) 265-9750

Contact: Lori Powers

Phone: (502) 696-7378

E-mail: lpowers@kheaa.com

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### **Money Tips for College Students: How to Make It, Use It and Save It**

#### **Use credit cards wisely**

Once you're 18, you are eligible for a credit card. You'll find this out pretty quickly since most credit card companies put booths all over campus the first couple of weeks of school. They might even give you a T-shirt or other novelty item as an incentive to sign up. But be warned—it's important to compare credit card offers. Some charge an annual fee, others require a deposit equal to the amount of credit you have available—not a bad idea, since you can't charge over this limit.

You can get in way over your head with bills you can't pay by charging on your card. College administrators say they lose more students because they've got to go to work to pay their credit card bills than from failing grades.

You might feel like your plastic really isn't money. But if you don't pay more than the minimum balance, or worse, avoid paying the bill for a couple of months, your credit will be shot. If you do find yourself in trouble and unable to pay, that's a black eye on your credit report for up to seven years.

Paying more than the minimum payment is a must. If you charge \$1,500 on your credit card and make a minimum monthly payment of \$25, it will take you 11 years to pay off your charges if your interest rate is 16.8 percent. If your interest rate soars to 22.8 percent and you make just the monthly payment, you'll never get the \$1,500 paid off. According to the experts, if you can't pay the entire bill at one time, you should make at least twice the minimum payment due.

These tips are brought to you by the Alabama College Loan Program and KHEAA–Alabama, which have helped thousands of students pay for college. For more information about student financial aid and college planning, visit [www.alstudentaid.com](http://www.alstudentaid.com); write KHEAA–Alabama, 100 North Union Street, Suite 308, Montgomery, AL 36104-3761; or call 334-265-9720, toll free (800) 721-9720.